

21 February 1956

MEMORANDUM FOR: Mr. Lloyd

SUBJECT : Reimbursement for Loss of Personal Funds Occasioned by
Change in Orders - Mr. [REDACTED] OTR

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25X1A 1. The attached memorandum from the Inspector General regarding the above subject has been redrafted to recommend that the Deputy Director (Support) rather than the DCI exercise discretionary authority outlined in Regulation No. [REDACTED] paragraph 9.a.

2. As you know, the General Counsel has had a continuous history of raising legal objection to the payment of claims of this type, and in this instance has also held to his general rule, which is:

Special powers granted the Agency are not intended to relieve normal administrative difficulties. Changes in operational requirements and, therefore, in orders to personnel, are not unique with this Agency and therefore the General Counsel cannot find a basis for approval of this type of claim.

3. The Inspector General feels that in this instance a change in orders directly as a result of changing operational requirements is unusual and unique to this Agency and that it would therefore be in order to authorize reimbursement.

4. Another point has been raised by representatives of the Office of the General Counsel, in that in this instance the claim is based on prospective loss rather than actual loss, as the claimant says, in effect, "Since you denied me income - you ought to pay it." There is concern as to where this line of reasoning would ultimately lead in the Agency's operation, because once the concept of reimbursement only for out-of-pocket expense in case of loss is disregarded, the door is open to a host of claims, many of which will turn out to be of the nuisance variety.

5. During my conversations with members of the staff in the Office of the General Counsel there developed some points which might bear further exploration. Specifically, there might be a possibility that the Director could determine that cancellation of orders in connection with operations was unique, and establish a sort of per diem or temporary allowance for a period which would assist in reimbursing employees for "relocation" or "adjustment" expenses. It may be found, upon study, that this approach cannot be supported; however, it is believed it would be worth studying.

6. My feeling in regard to this case is that the Deputy Director (Support) ought to reject it on the basis of equal treatment with prior claimants, and there is nothing distinctive in this case to distinguish it from many others previously considered.

7. I will prepare whatever memoranda you decide are necessary to conclude this case.

(51)

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Attachment

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Attachments